

SANITARY SEWER

A special revenue fund was established in FY 1997-98 to record the receipts and expenditures related to the City's sanitary sewer program. The fund is financed by a sewer charge which is based on meter size. The fund was reclassified as an Enterprise Fund in FY 2003-04 to comply with GASB 34 reporting standards.

SANITARY SEWER OVERVIEW				
	2005-06 <u>Actual</u>	2006-07 <u>Actual</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Operating Revenues				
Sanitary Sewer Fee	\$ 2,607,767	2,783,382	2,950,000	3,025,000
Operating Expenditures				
Personnel Expenses	928,833	980,509	1,123,525	1,166,280
Operating/Capital Expenses	462,155	640,414	629,940	1,097,366
	1,390,988	1,620,923	1,753,465	2,263,646
Operating Income (Loss)	1,216,779	1,162,459	1,196,535	761,354
Non-Operating Revenue (Expense)				
Interest Income	142,318	189,181	82,500	65,000
Principal Expense	(305,000)	(315,000)	(330,000)	(395,000)
Interest Expense	(175,496)	(378,308)	(363,204)	(415,825)
Proceeds from Debt Issuance	0	0	3,332,500	411,500
Transfers In	2,820	0	0	0
Transfers to General Fund	(200,000)	(210,000)	(215,250)	0
Capital Improvement Program (b)	0	0	(3,517,500)	(178,500)
	(535,358)	(714,127)	(1,010,954)	(512,825)
Change in Net Assets	\$ 681,421	448,332	185,581	248,529
Adjustments-CAFR (a)				
Bond Principal	305,000	315,000	330,000	395,000
Depreciation	(221,045)	(371,900)	(210,367)	(371,900)
	83,955	(56,900)	119,633	23,100
Change in Net Assets, Adjusted	\$ 765,376	391,432	305,214	271,629

(a) In accordance with generally accepted accounting principles on the treatment of Enterprise Funds, the operating statement in the Comprehensive Financial Annual Report (CAFR) includes depreciation as an expense and excludes principal payment on debt service. The schedule above adds back these two items in order to reconcile with the operating statement in the CAFR.

(SANITARY SEWER CONTINUED)

(b) Projects appropriated as part of the FY 2008-09 Capital Improvement Program include:

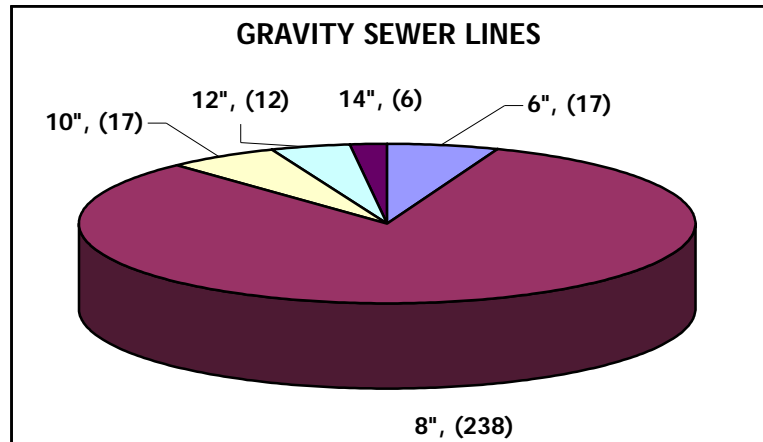
Green Avenue Improvements Phase II	\$121,000
*Basin G12D Rehabilitation	\$57,500
TOTAL	\$178,500

*To be financed through the State Clean Water Revolving Loan Fund.

SANITARY SEWER OVERVIEW

Sanitary Sewers, organizationally located in the Public Works Department, is responsible for maintaining 354 miles of sanitary sewer lines. This activity also oversees a program of remedial repairs to the City system which is designed to reduce inflow into the Mauldin Road treatment plant. Operations are financed by a sanitary sewer charge which is based on meter size.

The Mauldin Road trunk sewer system receives flow from seven sewer subdistricts with each owning and maintaining individual sewer collection systems. The total length of the collection system within the Mauldin Road service area is 574 miles. All of these collection systems convey wastewater to the 74 miles of main trunk sewer system that is owned and maintained by the Western Carolina Regional Sewer Authority.

**FY 2008-09 SANITARY SEWER RATE STRUCTURE**

Type	Meter Size	Quarterly Rate
Residential	less than 8K gallons	\$10.88
Residential	5/8" & 3/4"	\$24.07
Commercial	3/4"	\$43.86
Commercial	1"	\$116.88
Commercial	1 1/2"	\$218.77
Commercial	2"	\$583.28
Commercial	3"	\$729.02
Commercial	4"	\$1,458.21
Commercial	6"	\$2,189.03
Commercial	8"	\$2,916.25

NOTE: Sewer fees reflect a 6.5% adjustment. This adjustment reflects a needed adjustment to strengthen the Sewer Fund's financial position, fund ongoing operations, and debt service.

SANITARY SEWERS DIVISION

Sanitary Sewers is responsible for maintaining 354 miles of sanitary sewer lines by cleaning/repairing sewer mains, repairing manholes, maintaining lift stations, installing lines, and carrying out a comprehensive preventive maintenance schedule. This division also oversees a program of remedial repairs to the City's sanitary sewer system which is designed to reduce inflow into the Mauldin Road treatment plant.

SANITARY SEWERS DIVISION				
	2005-06 <u>Actual</u>	2006-07 <u>Actual</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
EXPENSES				
Personnel Services	\$ 792,864	838,562	955,344	973,001
Operating Expenses	370,223	575,525	409,444	653,025
Debt Service	490,496	378,308	693,204	810,825
Risk Charges	61,458	22,439	41,204	40,422
General Fund Transfers	200,000	210,000	215,520	0
Transfers - CIP	0	0	3,517,500	178,500
Capital Outlay	0	0	140,000	354,000
TOTAL EXPENSES	\$ 1,915,041	2,024,834	5,972,216	3,009,773
STAFFING				
Administration	1	1	1	1
Inspection	4	4	4	4
Pipe Crew	5	5	5	5
Response Crew	5	5	5	5
Maintenance Crew	5	5	5	5
TOTAL STAFFING	20	20	20	20

FY 2008-09 BUDGET HIGHLIGHTS

The Sanitary Sewers Division budget reflects:

- \$354,000 for vehicle replacement of a combination rodder truck (\$300,000) and a tractor backhoe (\$54,000). These will be purchased through a lease-purchase agreement.

STRATEGIC INITIATIVES

Livable Neighborhoods and City	Ongoing Initiative	FY 08-09 Initiative
Continue three-year preventative maintenance plan of the sewer system.	<input checked="" type="checkbox"/>	

SEWER CONSTRUCTION DIVISION

Sanitary Sewer Construction Division, established in FY 2003-04, assesses the condition of the City's sanitary sewer system using a continuous improvement approach. Areas identified will be rehabilitated to conform with the EPA Construction Management Operation Maintenance program. All improvements will be recorded with results being supplied to the appropriate local, state, and federal agencies for compliance purposes.

SEWER CONSTRUCTION DIVISION				
	2005-06 <u>Actual</u>	2006-07 <u>Actual</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
EXPENSES				
Personnel Services	\$ 135,969	141,947	168,181	193,279
Operating Expenses	27,271	40,627	36,400	46,730
Risk Charges	3,203	1,823	2,892	3,189
Capital Outlay	0	0	0	0
TOTAL EXPENSES	\$ 166,443	184,397	207,473	243,198
STAFFING				
Administration	1	1	1	1
Maintenance Crew	3	3	3	3
TOTAL STAFFING	4	4	4	4

FY 2008-09 BUDGET HIGHLIGHTS

The Sewer Construction budget reflects:

- \$3,189 in risk management charges.

STRATEGIC INITIATIVES

Vibrant Downtown and Revitalized Corridors	Ongoing Initiative	FY 08-09 Initiative
Conduct smoke tests of the sewer lines in the downtown area. The next phase of this project will be to use new lining technology to rehabilitate all of the City sewer lines on Main Street.		<input checked="" type="checkbox"/>